

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL NOTE**

**HB 949 - SB 1023**

March 21, 2015

**SUMMARY OF BILL:** Defines operator, water supply system, and water treatment plant. Requires water treatment plant operators to measure and record the amount of fluoride in its treated water at the same time it does regular testing for biological contaminants. Requires the operators of such plants to report fluoride measurements to the Department of Environment and Conservation (TDEC). Prohibits adding fluoride to water, if total amounts of fluoride exceeds 0.7 mg/l, and amounts of naturally occurring fluoride does not exceed the maximum contaminant level set by the United States Environmental Protection Agency (EPA). Requires systems with water that contains fluoride to provide a specific notice on the first page of all written communications with customers. Creates a civil penalty of \$200 per occurrence for violations of the notice provisions; any other violation of the requirements would be subject to a civil penalty of \$1,000 per occurrence.

**ESTIMATED FISCAL IMPACT:**

On March 17, 2015, the fiscal note for this bill was issued for this bill with the following estimated impact:

*Increase State Revenue –*

*\$3,000/FY16-17/Environmental Protection Fund*

*Increase Local Expenditures –*

*Exceeds \$2,400,600/FY16-17 and Subsequent Years\**

On March 21, 2015, additional information for the bill was received by the Department of Environment and Conservation. Based on this new information, the fiscal impact for the bill has been corrected as follows:

**(CORRECTED)**

**Increase State Revenue –**

**\$3,000/FY16-17/Environmental Protection Fund**

**Increase Local Expenditures –**

**Exceeds \$2,250,500/FY16-17 and Subsequent Years\***

Corrected Assumptions:

**HB 949 - SB 1023 (CORRECTED)**

- Any impact for the Department of Environment and Conservation (TDEC) to promulgate rules and regulations is estimated to be not significant. All other provisions of this bill will become effective July 1, 2016.
- TDEC estimates 20 violations may occur in the first year due to new requirements for failure to sample.
- Based on the information received by TDEC, the average civil penalty that would be levied is estimated to be \$150.
- The one-time increase in state revenue in FY16-17 to the Environmental Protection Fund is estimated to be \$3,000 (20 x \$150).
- Beginning in FY17-18, the number of violations and resulting civil penalties are estimated to be not significant.
- According to TDEC, there are 282 systems in Tennessee that have fluorinated water which are sampled quarterly under current state regulations; and 104 systems currently purchase water and do not conduct quarterly fluoride tests.
- According to TDEC, the state laboratory rate is estimated to be \$45 per sample. Currently, this costs local water systems approximately \$32,040 annually.
- TDEC reports that these systems collect approximately 4,227 biological samples per month.
- The recurring increase in local expenditures beginning in FY16-17 for local water systems to conduct tests on all samples is estimated to be \$2,250,540 [(4,227 x 12 x \$45) - \$32,040].
- In addition, these public water systems will incur some increase in personnel costs since the additional sampling will require addition collection and preparation time.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/tdb